

# **EXHIBIT 8**

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**HEADLINE:** Riding the Tiger --- For years, Fredy Bush wowed them in China;  
Now her media firm is under fire

**BYLINE:** By James T. Areddy and David Reilly

**BODY:**

Shanghai -- In 1985, as a young, divorced mother of two, Loretta Fredy Bush moved from the U.S. to Taiwan for what she has said was a job in the commodities industry. She knew little about commodities and didn't speak Chinese.

Two decades later, Ms. Bush is chauffeured around Shanghai in a blue Jaguar and staffers refer to her as "Lady Bush." She wears distinctive suits with high Chinese collars -- her own designs -- and conducts business out of a 39th-floor office decorated with modern Chinese paintings, snapshots of herself with government leaders and photos of her 230-acre horse ranch in Hawaii. At their peak earlier this year, her stakes in companies she helped build were worth more than \$100 million.

Stories of Americans making good in Asia don't come much more inspirational than Ms. Bush's. But in recent months, her story has taken a troubling turn. Shares of Xinhua Finance Media Ltd., the Chinese media company she took public on the Nasdaq Stock Market in March, have lost about 40% of their value. Executive resignations in May have prompted questions about a web of transactions between the company and its top executives which have been enormously profitable to Ms. Bush and others. In addition, Ms. Bush grappled with the Internal Revenue Service earlier this year over allegations that she engaged in tax fraud.

As chief executive officer of Shanghai-headquartered Xinhua Finance Ltd., the parent of the U.S.-listed company, Ms. Bush, who is 48 years old, has both chronicled and ridden China's boom. Xinhua Finance publishes economic news, market indexes, credit ratings and press releases. The company, which calls itself "China's premier financial information and media services company," takes its name from an alliance made eight years ago with the Xinhua News Agency, the Chinese Communist Party's primary media organ.

Ms. Bush's achievements are testament to the opportunities available in China to foreign entrepreneurs who arrived at the right time. Building her company involved cooperating with the Communist Party's government news bureau, working from inside the system. When Ms. Bush moved to Asia in the mid-1980s, China's financial sector was untamed, and she prospered by promising to provide China, the world's biggest emerging market, with Western-style financial information. Last year, Xinhua Finance reported net profit of \$18.7 million on revenue of \$175 million.

Riding the Tiger --- For years, Fredy Bush wowed them in China; Now her media firm is under fire The Wall Street Journal July 7, 2007 Saturday Correction Appended

But as China's financial sector has matured and become more international, investors and others have begun scrutinizing business practices more closely, including Xinhua Finance's. At the same time, the company's main alliance with China's official media now appears to be dead, a threat to its privileged position in China.

In a written response to questions, Ms. Bush credited the growth of her business in China to her own "persistence and determination to find a way of overcoming obstacles, and most importantly, sensitivity to local conditions and issues." But having "grown up" professionally in Asia, she said, she was unprepared for challenges that followed the listing of her company on the Nasdaq. "This most recent series of events, however, has shown me that I know less than I should about American business culture and nuances. . . . I now realize that this company needs to be more sensitive to the new environment that we find ourselves in," she said.

Born Loretta Karchner in Utah in September 1958, Ms. Bush was the youngest girl of eight children in a Mormon family. She was a small child, which earned her the nickname "Freddy Fieldmouse," after a cartoon character. Part of the name stuck, although she now uses a modified spelling.

Ms. Bush has often said publicly that two events defined her as young woman: becoming a mother as a 16-year-old high-school student and the fatal motorcycle crash a few years later of her husband, who was the father of her son. "His passing sent me on my journey, it sent me out here to provide for my kids," she said in 2005. What she seldom mentions is that at the time of his death in 1980, she was divorced from him and married to someone else. The Xinhua Finance spokesman says: "It is not appropriate to discuss Ms. Bush's personal life in the media."

In the early 1980s, Ms. Bush dabbled in foreclosed real estate, a period she later described in a book, "Your Fortune in Foreclosures: Today's Best, Low-Risk, High-Profit Real Estate Investment." Through an acquaintance, she heard about a grain-procurement agency in Taiwan that was looking to hire an English speaker. In 1985, she flew to Taiwan with her two children and took the job.

At that time, Taiwan's factories were gobbling up imported commodities, but the nation lacked official financial markets to trade them efficiently. Ms. Bush got interested in the business, and in the late 1980s, she started Bush Corp., a commodities consulting firm that aimed to work with foreign businesses looking to do business in and around China.

Xinhua Finance's account of Ms. Bush's career says "her consulting business worked in Taiwan from 1985 to 1990 to establish Taiwan's first official futures market." The island's only such market, the Taiwan Futures Exchange, didn't start trading until 1998, long after she had left. A spokesman for Xinhua Finance explains that during the late 1980s she advised Taiwan's government by providing information about futures-trading systems, rules and regulations in the U.S.

In the early 1990s, Ms. Bush moved to Hong Kong. She showed a flair for connecting with Chinese officials by talking optimistically about the country's rapid changes, acquaintances say. Her social skills soon included smiling through requisite toasts of fiery "bai jiu" wine, which many foreigners find too potent.

"It's been definitely a challenge being a Caucasian, blonde, blue-eyed woman and doing business in Asia for the last 20 years," she said in a TV interview last year. "On the other hand, it also opens doors."

When she arrived in Hong Kong, China was trying to develop a Western-style financial industry, including stock markets. Many foreign businesspeople, including Ms. Bush, had begun to view China as a tremendous growth opportunity, and Hong Kong as the best place to establish a beachhead.

Ma Yunsheng, a senior official of the Xinhua News Agency, the official voice of China's Communist Party, had moved to Hong Kong in 1989. His intention, he says, was to move the agency beyond its traditional role as Beijing's mouthpiece, into business, including financial news and the Internet.

In the company's 2005 annual report, Ms. Bush said "we approached Xinhua News Agency" with a concept to take investment tools developed for international markets and apply them to China's markets.

Mr. Ma says the resulting partnership with Xinhua Finance was in fact the brainchild of a Taiwanese investor Billy Kung. According to Mr. Ma, who served as founding chairman of Xinhua Finance's predecessor company, Mr. Kung brought in as investors Ms. Bush and Dennis Pelino, a deal maker and business partner. Mr. Kung declined to comment.

The Xinhua News Agency, through a subsidiary, initially held a stake of more than 60% in the company that became Xinhua Finance. That relationship gave Xinhua Finance a recognized name and a foothold in China that few foreign media companies had. In 2000, Britain's FTSE Group, owned by Pearson PLC's Financial Times newspaper, and the London Stock Exchange PLC agreed to jointly publish indexes with Xinhua Finance that track Chinese stock prices.

Riding the Tiger --- For years, Fredy Bush wowed them in China; Now her media firm is under fire The Wall Street Journal July 7, 2007 Saturday Correction Appended

But the index business nearly didn't get off the ground. Chinese financial regulators, concerned that the products might ultimately hurt the country's stock markets, initially balked at Xinhua Finance's invitation to attend a launch reception at the Great Hall of the People in Beijing. Ms. Bush put together a PowerPoint presentation for the officials that explained that indexes reflect markets, but don't affect them. The Chinese officials warmed to the idea and agreed to attend. "It ended with key Chinese individuals giving the toast," says Graham Earnshaw, a managing director at Xinhua Finance and former Reuters journalist.

Today, \$53 billion in investments track or are benchmarked to Xinhua Finance indexes, giving the company a healthy stream of income from licensing fees on those financial products.

That same year, the company launched its own financial-news service. It started a debt-rating service in 2002, then formed a press-release distribution service with PR Newswire Association LLC. In 2003, it bought a struggling Asian business-news service called AFX-Asia, which gave it distribution and revenue from outside of China. Dow Jones & Co., publisher of The Wall Street Journal, has an agreement to provide content to a magazine published by Xinhua Finance Media. (Financial-news services owned by Xinhua Finance compete against Dow Jones Newswires in some markets.)

By 2002, Ms. Bush had become the company's chief executive officer and its public face.

"Fredy can mesmerize a roomful of bankers," says one person who has attended presentations by her. "She stands up with no papers and no script and no facts and talks about her personal relationship with top people in Beijing and burgeoning capital markets in China."

In 2002, former Arkansas Gov. Jim Guy Tucker flew to Hong Kong to check up on Ms. Bush on behalf of an acquaintance, California investment banker Shelly Singhal. Mr. Singhal was considering investing and knew that Mr. Tucker, who stepped down as governor in 1996 after his conviction for fraud stemming from the Whitewater investigation, had investments in Asia.

"I think anyone meeting her for the first time would be impressed and attracted to her," says Mr. Tucker. He says she had a "clear and compelling vision for putting together at that time English and other non-Chinese language financial-news assets."

Mr. Tucker says she seemed to have a good relationship with Xinhua News Agency and within government ministries. He sent favorable reports to Mr. Singhal, who eventually invested and became a director.

In China, there are strict controls on broadcasting and publishing by foreign companies. Xinhua Finance came up with ways to have its content carried in an economic newspaper and by a national television network. In addition, although credit ratings are supposed to be issued only by Chinese companies, Xinhua Finance found ways to effectively control its ratings venture with Shanghai Far East Credit Rating Co. Zuo Xuejin, Shanghai Far East's chairman, says Ms. Bush was "quite flexible."

Her efforts attracted the attention of some outsiders eager to crack the Chinese market. In 2003, Reese Schonfeld, co-founder and the first chief executive officer of CNN, approached Ms. Bush about starting a Chinese cable station devoted to business news. Mr. Schonfeld subsequently alleged that she pursued the venture but pushed him aside. He filed suit against her, and the cable-TV effort fizzled. The suit was settled on a confidential basis.

In 2004, The Wall Street Journal called her one of its "Women to Watch" for 2004. She was named entrepreneur of the year in 2006 by both the American Chamber of Commerce in Hong Kong and CNBC Asia Pacific Television.

Xinhua Finance also began scouring the U.S. for small financial-information companies to purchase to boost revenues. In 2004, it bought Mergent Inc., G7 Group Inc. and Market News International Inc., agreeing to pay \$76.7 million, \$15.5 million and \$16.2 million, respectively.

Xinhua Finance's rapid expansion set the stage for an initial public offering on the Tokyo Stock Exchange's growth market, which raised \$51.9 million in October 2004. In late 2005, the company created a subsidiary, Xinhua Finance Media, in preparation for a public offering on Nasdaq.

By then, however, the company was entering into financial arrangements that were lucrative to three insiders -- Ms. Bush, her fellow original investor Mr. Pelino, and Mr. Singhal, the California investment banker.

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If they are properly disclosed to investors, transactions between companies and insiders aren't against the law. Nevertheless, many U.S. investors look with suspicion on transactions that raise questions about whose financial interests executives and directors are looking out for -- their company's or their own.

Last year, Mr. Singhal and Mr. Pelino invested alongside Xinhua in certain Chinese media assets. Six months later, Xinhua Finance Media bought out the two men's stake at a higher price, according to a prospectus filed in connection with a subsequent bond offering. At that time, Messrs. Pelino and Singhal served as the audit committee for the board of Xinhua Finance. That committee is responsible for overseeing corporate governance, the company says.

Mr. Singhal said through a spokeswoman that he "at all times recused himself from any transactions that involved him or companies in which he held an interest." Mr. Pelino did not respond to requests for comment.

The more Xinhua Finance spent buying companies -- it has announced more than \$400 million in acquisitions -- the more Ms. Bush herself stood to make. She received new Xinhua Finance shares equal to 3% of the value of any acquisition the company made or capital that it raised, according to documents filed in connection with \$100 million of bonds the company sold late last year.

In 2006, Xinhua Finance Media also granted Ms. Bush 11 million shares of restricted stock, which vests over a five-year period. At the time, she was the chief executive and the only member of the company's board.

"I prefer to be compensated for performance because I am very entrepreneurial," Ms. Bush said Friday, adding that she had at times "waived elements of my compensation."

Xinhua Finance also paid a company controlled by Mr. Singhal, SBI USA LLC, \$10,000 a month in consulting fees, plus 1% of the value of any capital raised by Xinhua Finance. The bond offering documents noted that Mr. Singhal received \$1 million from that deal.

Ms. Bush's original investment in Xinhua Finance had drawn scrutiny from the Internal Revenue Service. In court filings, the agency claimed that Ms. Bush "fraudulently and with intent to evade tax, purchased her interest in [Xinhua Finance's predecessor company] using loans, offshore entities and conduits." Mr. Kung, who had helped set up that company, was involved in those transactions, the IRS alleged. (Mr. Kung later received, for "consulting work," 630,000 warrants to purchase stock in Xinhua Finance Media at well below the offering price.) The IRS claimed Ms. Bush failed to report a \$1 million dividend connected with these transactions. Ms. Bush denied the agency's allegations, including the claim that she owed \$3 million in back taxes and penalties. The matter ended up in U.S. Tax Court.

Days before Xinhua Finance Media went public in March, Ms. Bush agreed to pay about \$810,000 in back taxes and penalties to settle her case. The company spokesman says Ms. Bush's financial issues were personal, have been resolved, and have no bearing on her stewardship of the companies.

Still, in early March, prospects seemed bright for the company and for Ms. Bush. On March 9, Xinhua Finance Media went public, raising \$300 million, and Ms. Bush was in Times Square to ring the closing bell on the Nasdaq.

Several weeks later, however, Xinhua Finance said that China's Xinhua News Agency -- whose association with the company had played a key role in its early success -- had sold its remaining shares to "counter the incorrect perception" it controlled the company. The Chinese news agency had been trimming its ownership in Xinhua Finance for years.

Xinhua News Agency offered no explanation until April 28, when it published a notice saying it had "terminated" the relationship as part of a campaign to distance Xinhua News Agency from many users of the Xinhua name that have "no link to news production, have a chaotic management system or even have destroyed the brand." Xinhua Finance has said that it has operated independently from Xinhua News Agency for some time.

Several weeks later, Xinhua Finance was hit with another crisis. On May 17, Lynn Turner, the former chief accountant of the SEC, resigned from Glass, Lewis & Co., a U.S.-based proxy investment advisory firm that Xinhua Finance had purchased earlier in the year for \$45 million. In his resignation letter, he cited the Xinhua Finance purchase as a reason for leaving.

The next evening, Mr. Singhal -- the Xinhua Finance director who also held several executive posts, including chief financial officer of Xinhua Finance Media -- resigned before the publication of a Barron's article. The publication cited the company's failure to disclose in its IPO prospectus a cease-and-desist order that Mr. Singhal's securities firm had received from the National Association of Securities Dealers for undisclosed record-keeping violations. Xinhua Finance says it hadn't disclosed the matter because the order had been lifted at the time of the IPO.



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Over the following week, shares of both Xinhua Finance and Xinhua Finance Media fell nearly 50% below their 2007 highs.

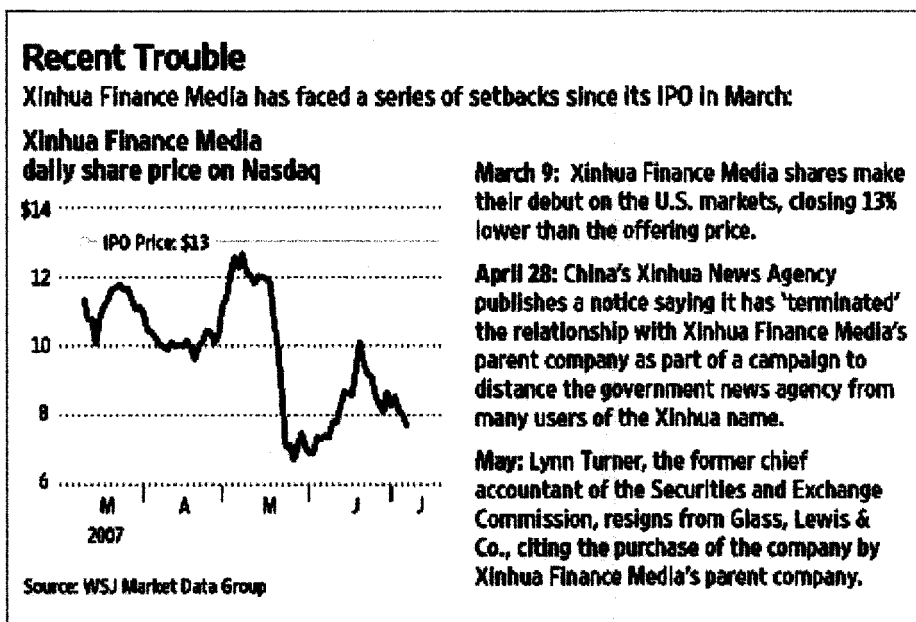
In numerous statements, Ms. Bush said the Xinhua Finance companies had fully complied with regulations in the jurisdictions where it operates. She pledged, however, to improve corporate governance.

"We comply with the regulatory requirements everywhere we do business," she said. "There are new levels we need to come up to speed on a year from now."

On June 21, a potentially powerful new competitor emerged. Xinhua News Agency, Ms. Bush's former Chinese government partner, announced that it would get into the financial-information publishing business on its own.

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Kate Linebaugh, Tang Hanting, Ellen Zhu and Miho Inada contributed to this article.



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#### NOTES:

PUBLISHER: Dow Jones & Company, Inc.

#### CORRECTION:

##### Corrections & Amplifications

American businesswoman Loretta Fredy Bush's ranch property in Hawaii totals 1,172 acres, and she is chauffeured around Shanghai in a black Jaguar. A July 7 front-page article on Ms. Bush's business dealings in China incorrectly said that the ranch is 230 acres and that her Jaguar is blue.

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